



Department of Economic Development

WOMEN-OWNED BUSINESSES

ANNUAL REPORT CY2012



2012 Women's History Month Governor's Proclamation



Nelle E. Peters
Architect



Maya Angelou
Author & Activist



Betty Weldon
News Tribune Publisher



Gwen B. Giles
Missouri Senate

TABLE OF CONTENTS

FACTS of WOMEN-OWNED BUSINESS in MISSOURI	2
2012 WOMEN-OWNED BUSINESS STATISTICAL DETAILS	4
DESCRIPTION OF INCENTIVE PROGRAMS	6-9

CHARTS & TABLE DESCRIPTIONS

TABLE 1	... Distribution of Benefits Issued in Calendar Year 2012
CHART 1(a)	... Amount of Tax Credits Issued
CHART 1(b)	... Tax Credits for Women-owned Businesses by Program
CHART 2	... Women-owned Business by Program
CHART 3(a)	...Total Number of Tax Credits Issued
CHART 3(b)	... Number of Women-owned Business by Company Type
CHART 4(a)	... MO Customized Training Dollars Reimbursed
CHART 4(b)	... Number of Businesses Reimbursed under MO Customized Training Program
CHART 5(a)	... Total Amount of Withholdings Tax Retained by businesses
CHART 5(b)	...Amount of Withholdings Retained for New vs. Retained Jobs

FACTS of WOMEN-OWNED BUSINESS in MISSOURI

Women-Owned Businesses¹

According to the most recent MERIC report, there were 130,772 women-owned firms in Missouri in 2007, up from 120,457 in 2002, according to data from the U.S. Census Bureau's 2007 Survey of Business Owners. This was an 8.6 percent increase in the number of women-owned firms in the state. These firms accounted for more than \$20.2 billion in sales and receipts in 2007.

In the U.S., there were 7.8 million women-owned firms in 2007, up 19.9 percent from 2002. Sales and receipts from women-owned firms totaled \$1.2 trillion in 2007. Women-owned firms made up 28.8 percent of all firms and 3.9 percent of all sales and receipts in the U.S.

States with the largest number of women-owned businesses were California (1,039,208), Texas (609,947), New York (594,517), Florida (581,096) and Illinois (343,073). In addition, California also had the largest gross sales from women-owned firms.

Twenty-five states, including Missouri, had more than 100,000 businesses owned by women. Eleven states had more than 200,000 women-owned firms in 2007.

Women-Owned Business by Industry²

Industry

Most women-owned businesses in Missouri are concentrated in three main industry groups – other services (17.0 percent), health care and social assistance (15.4 percent) and retail trade (13.8 percent). Other significant sectors include professional, scientific and technical services (11.3 percent) and administrative support, and waste management, and remediation services (10.1 percent).

In terms of total sales and receipts, the largest grossing industries are wholesale trade, retail trade, manufacturing, social assistance, health care and construction. This indicates that although wholesale trade, construction and manufacturing have fewer firms, they have a larger impact on Missouri's economy in terms of gross sales.

Arts and Entertainment Industries gained the most ground in Missouri, growing by 48.5 percent and adding 1,772 additional firms between 2002 and 2007. Educational services (39.9%), administrative support (25.4%), and real estate (23.0%) followed.

¹ Source: MERIC – Missouri Economic Research & Information Center.

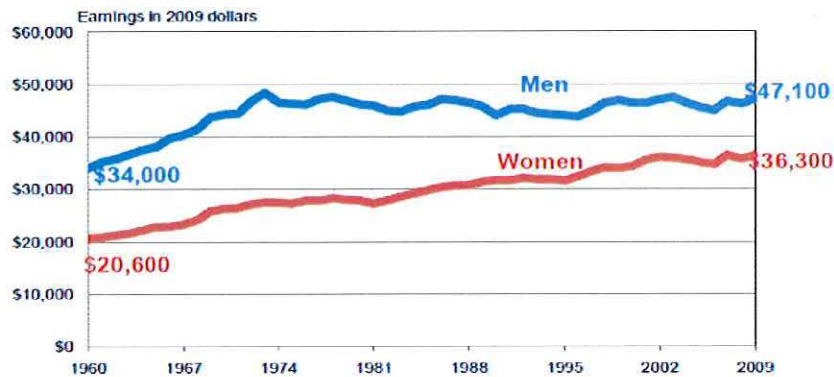
² Source: MERIC – Missouri Economic Research & Information Center.

2009 DETAILED EARNINGS FOR MO RESIDENTS BY DEGREE ATTAINMENT & GENDER

<u>Degree Program</u>	<u>Male</u>	<u>Female</u>
Less than high school graduate	\$20,733	\$13,508
High School Graduate (includes equivalency)	\$30,347	\$20,492
Some college or associate's degree	\$37,048	\$25,484
Bachelor's degree	\$51,850	\$34,708
Graduate or professional degree	\$63,057	\$45,966

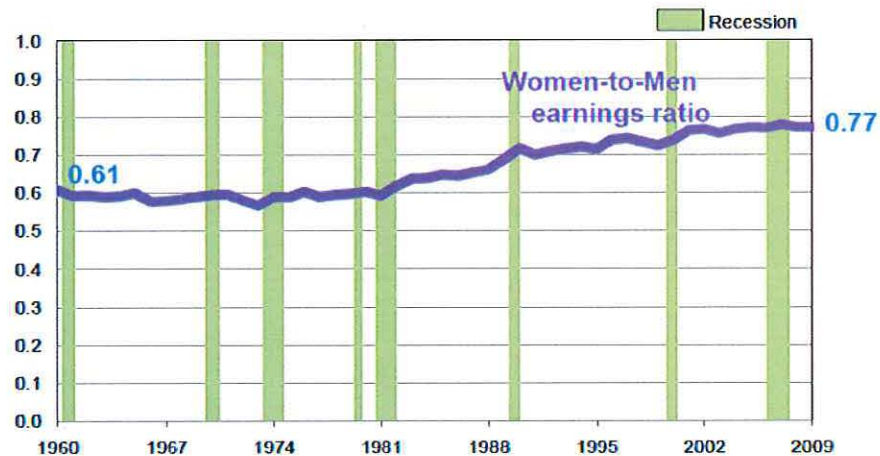
Source: U.S. Census Bureau, 2009 American Community Survey

**Median Earnings of Full-Time, Year-Round Workers
by Sex: 1960 to 2009**



Source: U.S. Census Bureau, Current Population Survey, 1961 to 2009 Annual Social and Economic Supplements

**Ratio of Women's-to-Men's Median Earnings for
Full-Time, Year-Round Workers:
1960 to 2009**



Source: U.S. Census Bureau, Current Population Survey, 1961 to 2009 Annual Social and Economic Supplements.

<http://www.census.gov/prod/2010pubs/p60-238.pdf>

2012 WOMEN-OWNED BUSINESS STATISTICAL DETAILS

During calendar year 2012, the Department of Economic Development (DED) offered the following incentives for the retention, expansion, recruitment or start-up of businesses:

- Business Facility Tax Credit
- Brownfield Jobs and Investment Tax Credit
- Business Use Incentives for Large-Scale Development
- Development Tax Credit
- Enhanced Enterprise Zone Tax Credit
- Enterprise Zone Tax Credit
- Manufacturing Jobs Act
- Missouri Job Development Fund
- New Jobs Training Program
- Job Retention Training Program
- Missouri Quality Jobs Programs
- New Enterprise Creation Act
- Rebuilding Communities Tax Credit
- CAPCO – Certified Capital Company
- Urban Enterprise Loans
- Wine & Grape Program
- Action Fund Loan
- Small Business Loan
- Grow Missouri Loan
- IDEA Fund
- Chapter 100 State Sales Tax Exemption

The total number of tax credits issued under the above programs was two hundred and sixty-two (262), out of which fourteen (14) or 6% were issued to women-owned businesses.

The women-owned businesses were organized as a Close-Corporation (1), Corporation, Subchapter-S (9) as an LLC – Limited Liability Company (5). The women-owned businesses received a total of \$526,484.21 in tax credits or 1% of the total.

The Missouri Job Development Fund (MJDF), administered by the Division of Workforce Development to fund the Missouri Customized Training Program, approved training for 341 companies and six training consortiums. The total amount of training authorized in 2012 was \$12,168,000, and the total amount reimbursed to companies was \$10,081,707.48. Nineteen (19) women-owned businesses were authorized for \$254,000 in training and reimbursed for \$272,478.00 in training costs during 2012 for previously approved projects. The remaining 322 companies and six training consortiums were authorized to receive a total of \$11,914,000 in training and were reimbursed for \$9,809,229.48.

The Department of Economic Development programs that authorize the retention of withholdings tax as a benefit include the Missouri Quality Jobs Program, Missouri Manufacturing Jobs Program, New Jobs Training Program and the Job Retention Training Program. For calendar year 2012, Quality Jobs programs authorized retained withholdings for 75 companies for new jobs, two companies were women-owned businesses. The women-owned businesses retained approximately \$185,000 or less than 1% of the total \$28 million in withholding taxes retained under the referenced programs. The New Jobs Training Program authorized 6 projects for a total of \$8,461,550 and the Job Retention Training Program authorized 6 projects for a total of \$7,956,372. Neither of the Training Program projects were to women-owned business.

The Department of Economic Development also administers 4 loan programs. The Action Fund Loan and Grow Missouri Loan are administered byDED, the Small Business Loan is administered by MDFB, and the IDEA Fund is administered by the MO Technology Corporation. Of those 4 programs, the IDEA Fund loaned \$75,000 to a woman-owned business during calendar year 2012 and the Small Business Loan approved 2 loans to women-owned businesses for a total of \$70,000.

The Department also administers the Chapter 100 State Sales Tax Exemption program of which no bonds were issued for women-owned businesses.

DESCRIPTION OF INCENTIVE PROGRAMS

BROWNFIELD REDEVELOPMENT, 447.700 – 447.718, RSMO

The purpose of this program is to provide financial incentives for the redevelopment of commercial and industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least three years. The program authorizes remediation tax credit, demolition tax credit and jobs and investment tax benefits.

BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT, 100.700-100.820, RSMO

The purpose of this program is to provide a financial incentive for the location or expansion of large business projects. The incentives are designated to reduce necessary infrastructure and equipment expenses if a project can demonstrate a need for funding. The program provides state tax credits to a business in the amount of debt service payments for industrial revenue bonds related to a portion of project costs.

CAPCO – CERTIFIED CAPITAL COMPANY, 135.500- 135.529, RSMO

The purpose of this program is to induce private investments into certified venture capital funds that invest in new or growing Missouri small businesses. Private venture capital firms apply to the department for certification as a CAPCO that make equity investments in eligible Missouri businesses. CAPCOs are allocated state tax credits to be given to insurance companies that invest in the CAPCO funds. At this point, all credits allowed under the law have been authorized.

DEVELOPMENT TAX CREDIT, 32.100-32.125, RSMO

The purpose of this program is to facilitate a business project in order to create new jobs. The program offers state tax credits to taxpayers making contributions to a non-for-profit corporation for projects approved by DED. The credits are for 50% of the contribution of cash or the value of certain types of property.

ENHANCED ENTERPRISE ZONE TAX CREDIT, 135.950 – 135,973, RSMO

The purpose of this program is to provide tax credits to new or expanding businesses in a Missouri Enhanced Enterprise Zone. Enhanced Enterprise Zones are specified geographic areas designated by local governments and certified by the Department of Economic Development.

Tax credits may be provided each year for up to five years, based on tax credits reserved for the project.

ENTERPRISE ZONE TAX CREDIT, 135.200-135.270, RSMO

The purpose of this program is to provide tax incentives to facilitate the expansion of new or existing businesses in one of Missouri's many enterprise zones. Enterprise zones are specified geographic areas as certified by the Department of Economic Development (DED) based on demographic eligibility and approval of a request by the local governments. The credits are provided each year for up to ten years after the project commences operations unless the life of the enterprise zone expires before that time.

Pursuant to SB 1155 (2004), the Enterprise Zone Tax Credit Program is being phased out of existence.

MISSOURI MANUFACTURING JOBS ACT, 620.1910, RSMO

The purpose of this program is to allow qualified auto manufacturing facilities or suppliers that bring next-generation production lines to Missouri to retain withholding taxes typically remitted to the state. The MMJ – expanded or new product can retain 10 years of withholdings based on their investment per retained job and MMJ – Suppliers can retain withholdings for either three or five years based on the average wage of the new job.

MISSOURI JOB DEVELOPMENT FUND, 620.470 – 620.490, RSMO

The purpose of the program is to provide funding to Missouri employers for the training and retraining of new and existing employees. The Department of Economic Development, through the Division of Workforce Development, operates the program with local educational agencies, such as community colleges and area career technical schools. The Missouri Customized Training is a reimbursement program for employers to help offset training costs for new and existing employees.

COMMUNITY COLLEGE NEW JOBS TRAINING PROGRAM, 178.892–178.896, RSMO

The purpose of the program is to provide training assistance for eligible Missouri businesses creating a substantial number of new jobs in the state. The program is coordinated through Missouri's twelve state community colleges with statewide program oversight by the Department of Economic Development's Division of Workforce Development. Funds for training and project costs are generated by using withholding tax credits from the employer's regular withholding taxes that are paid for the employees in the newly created jobs.

COMMUNITY COLLEGE JOB RETENTION TRAINING PROGRAM, 178.760-178.764, RSMO

The purpose of the program is to provide training assistance for eligible Missouri businesses for the retention of a substantial number of existing jobs in the state. The program is coordinated through Missouri's twelve state community colleges with statewide program oversight by the Department of Economic Development's Division of Workforce Development. Funds for training and project costs are generated by using withholding tax credits from the employer's regular withholding taxes that are paid for the employees in the existing jobs.

MISSOURI QUALITY JOBS PROGRAMS, 620.1875 – 620.1890, RSMO

The purpose of this program is to facilitate new quality jobs by targeted business projects. For "small and expanding" businesses, the benefits of the program are the retention of the state withholding tax of the new jobs. For "technology" and "high impact" businesses, the benefits of the program are (a) the retention of the state withholding tax of the new jobs; and (b) state tax credits, which are refundable and/or sellable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

NEW ENTERPRISE CREATION ACT, 620.635 – 620.653, RSMO

The purpose of this program is to generate investment for Missouri startup businesses that have not developed to the point where they can successfully attract conventional financing or significant venture capital from large-stage funds. Prolog Ventures, LLC was selected as the Fund Manager to raise the tax refundable contributions and manage the investments of the fund. Prolog will make investments in qualified Missouri businesses in need of early-stage or "seed" funding. At this point, all credits allowed under the law have been authorized.

NEW OR EXPANDING BUSINESS FACILITY TAX CREDIT PROGRAM, 135.100-135.150, 135.258, RSMO

The purpose of the program is to provide tax incentives to facilitate the expansion of new or existing businesses in Missouri. State income tax credits are provided to the business based on the number of new jobs created and amount of new investment at the qualifying facility. The credits are provided each year for up to ten years after the project commences operations. Pursuant to SB 1155 (2004), the Business Facility Tax Credit Program is being phased out of existence, except for certain headquarters projects.

REBUILDING COMMUNITIES TAX CREDIT PROGRAM, 135.535, RSMO

The purpose of this program is to stimulate business activity in Missouri's "distressed communities" by providing tax credits to eligible businesses that locate, relocate or expand their business within a distressed community.

URBAN ENTERPRISE LOAN, 620.1023, RSMO

The Missouri Department of Economic Development (DED) contracts for the administration of a micro-lending program to assist Missouri's small business owners with the creation, expansion and retention of their business enterprise, located in the St. Louis and Kansas City urban areas.

WINE & GRAPE PROGRAM, 135.700 RSMO

The purpose of this program is to assist vineyards and wine producers with the purchase of new equipment and materials by granting a tax credit for a portion of the purchase price. The tax credit is in the amount equal to 25% of the purchase price of new equipment and materials used directly in the growing of grapes or the production of wine in Missouri.

ACTION FUND LOAN, 42 USC § 5301 et seq., 24 C.F.R. Part 570; and Missouri's "Consolidated Plan" submitted to the US Department of Housing & Urban Development

The purpose of this program is to provide a loan to certain types of for-profit companies that need funds for buildings, equipment, working capital, land and other facilities or improvements in order to cause a project to occur which will result in the creation or retention of full-time permanent employment.

SMALL BUSINESS LOAN PROGRAM

This program works with the Missouri Development Finance Board to create a pool of funds for low-interest or no-interest direct loans for small businesses. The minimum loan amount is \$2,500 and the maximum amount is \$50,000.

GROW MISSOURI LOAN PROGRAM

The purpose of this program is to facilitate the funding of an expansion project that would be unlikely to occur without the loan fund in order to create or retain full-time jobs for targeted businesses.

IDEA FUND PROGRAM

The purpose of the IDEA Fund is to promote the formation of growth of businesses that engage in the transfer of science and technology into job creation. The program is administered by the Missouri Technology Corporation (MTC) which is a public-private partnership created by the Missouri General Assembly to promote entrepreneurship and foster the growth of new and emerging high-tech companies. MTC focuses on 21st Century bioscience industries that build on Missouri's rich history in agriculture.

CHAPTER 100 STATE SALES TAX EXEMPTION, 144.054(3) RSMO

This program offers a discretionary incentive that provides a sales tax exemption on tangible, depreciable personal property purchased through Chapter 100 bonds for non-manufacturing equipment purchases. Companies eligible for Chapter 100 bond financing include manufacturing, warehousing, distribution, office, research and development, agricultural processing and services in interstate commerce. Retail services in intrastate commerce and others are not eligible.

TABLE 1

Distribution of Benefits Issued in Calendar Year 2012 for the retention, expansion, new or start-up of businesses

Tax Credit Programs

	Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
	\$ Tax Credits	Credits Issued	\$ Tax Credits	Credits Issued	\$ Tax Credits	Credits Issued
BFC - New/Expanding Business Facility	\$ 9,908.00	2	\$ 4,401,940.00	17	\$ 4,411,848.00	19
Brownfield Redevelopment - Jobs & Investment	\$ 180,810.30	1	\$ 202,387.46	1	\$ 383,197.76	2
BUILD - Business Use Incentives for Large Scale Development	\$ -	-	\$ 11,656,629.81	26	\$ 11,656,629.81	26
CAPCO - Certified Capital Company	\$ -	-	\$ -	-	\$ -	-
DTC - Development Tax Credit	\$ -	-	\$ 3,027,064.06	5	\$ 3,027,064.06	5
EEZ - Enhanced Enterprise Zone	\$ 41,370.39	4	\$ 6,886,418.24	87	\$ 6,927,788.63	91
EZ - Enterprise Zone	\$ -	-	\$ 1,420,201.00	1	\$ 1,420,201.00	1
MQJ - Missouri Quality Jobs - HI Impact	\$ -	-	\$ 9,078,531.54	25	\$ 9,078,531.54	25
MQJ - Missouri Quality Jobs - Small/Expanding	\$ -	-	\$ 467,379.16	1	\$ 467,379.16	1
MQJ - Missouri Quality Jobs - Retention	\$ -	-	\$ 1,000,000.00	1	\$ 1,000,000.00	1
MQJ - Missouri Quality Jobs - Technology	\$ -	-	\$ 3,240,631.62	34	\$ 3,240,631.62	34
MQJ - Missouri Quality Jobs - Flood Survivor Relief	\$ -	-	\$ -	-	\$ -	-
NECA - New Enterprise Creation Act	\$ -	-	\$ -	-	\$ -	-
RC 25% E - Rebuilding Communities 25% of new equipment	\$ 27,542.21	2	\$ 740,077.66	19	\$ 767,619.87	21
RC 40% E - Rebuilding Communities 40% of new equipment	\$ 206,209.82	4	\$ 1,097,347.67	18	\$ 1,303,557.49	22
RC 40% I - Rebuilding Communities 40% of income	\$ -	-	\$ 6,545.20	2	\$ 6,545.20	2
Wine & Grape	\$ 792.95	1	\$ 89,486.34	11	\$ 90,279.29	12
TOTAL	\$ 466,633.67	\$ 14	\$ 43,314,639.76	\$ 248	\$ 43,781,273.43	\$ 262

Training Reimbursement Program

	Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
	\$ Approved	\$Spent	\$Approved	\$Spent	\$Approved	\$Spent
MO Job Development Fund	\$ 254,000.00	\$ 272,478.00	\$ 11,914,000.00	\$ 9,809,229.48	\$ 12,168,000.00	\$ 10,081,707.48
# of Companies	19		322		341	
# of Training Consortiums			6		6	

MO State Withholdings Retained Programs

	Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
	WH retained	# Companies	WH retained	# Companies	WH retained	# Companies
Manufacturing Jobs - Expanded	\$ -	-	\$ -	-	\$ -	-
Manufacturing Jobs - New	\$ -	-	\$ -	-	\$ -	-
Manufacturing Jobs - Supplier	\$ -	-	\$ -	-	\$ -	-
MQJ - Missouri Quality Jobs - HI Impact	\$ -	-	\$ 18,376,705.35	22	\$ 18,376,705.35	22
MQJ - Missouri Quality Jobs - Small/Expanding	\$ 128,449.66	1	\$ 2,058,879.69	10	\$ 2,187,329.35	11
MQJ - Missouri Quality Jobs - Retention	\$ -	-	\$ -	-	\$ -	-
MQJ - Missouri Quality Jobs - Technology	\$ 56,467.00	1	\$ 7,850,422.37	41	\$ 7,906,889.37	42
MQJ - Missouri Quality Jobs - Flood Survivor Relief	\$ -	-	\$ -	-	\$ -	-
New Jobs Training Program	\$ -	-	\$ 8,464,550.00	6	\$ 8,464,550.00	6
Job Retention Training Program	\$ -	-	\$ 7,956,372.00	6	\$ 7,956,372.00	6
TOTAL	\$ 184,916.66	2	\$ 44,706,929.41	85	\$ 44,891,846.07	87

Company Type for Tax Credit Programs

	Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
	Tax Credits	# Companies	Tax Credits	# Companies	Tax Credits	# Companies
Bank - Financial Institution	\$ -	-	\$ 482,570.85	3	\$ 482,570.85	3
Close-Corp. - Close Corporation	\$ 40,085.24	1	\$ 18,975,491.97	83	\$ 19,015,577.21	84
Prof-Corp - Professional Corporation	\$ -	-	\$ 1,793.44	1	\$ 1,793.44	1
G-Corp - General Corporation	\$ -	-	\$ 3,578,704.70	24	\$ 3,578,704.70	24
LLC - Limited Liability Company	\$ 98,581.49	5	\$ 7,962,530.03	58	\$ 8,061,111.52	63
LLP - Limited Liability Partnership	\$ -	-	\$ 640,098.00	3	\$ 640,098.00	3
LP - Limited Partnership	\$ -	-	\$ 3,701,990.79	4	\$ 3,701,990.79	4
Not-for-Profit Corp	\$ -	-	\$ 269,540.64	3	\$ 269,540.64	3
Partnership	\$ -	-	\$ 743,037.78	2	\$ 743,037.78	2
Insurance	\$ -	-	\$ -	-	\$ -	-
S-Corp - Corporation, Subchapter S	\$ 387,817.48	9	\$ 6,952,804.10	63	\$ 7,340,621.58	72
Sole. Propr. - Sole Proprietorship	\$ -	-	\$ 2,702.93	2	\$ 2,702.93	2
Individual	\$ -	-	\$ 4,374.53	2	\$ 4,374.53	2
TOTAL	\$ 526,484.21	\$ 15	\$ 43,315,639.76	\$ 248	\$ 43,842,123.97	\$ 263

Note: Total number of credits and total number of companies will not agree because a company can qualify for various programs.

TABLE 1

Loan Programs

Action Fund Loan
 Small Business Loan
 Grow Missouri Loan
 IDEA Fund
 Total

Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
Amount Approved	# Companies	Amount Approved	# Companies	Amount Approved	# Companies
\$ -	-	\$ 139,600.00	1	\$ 139,600.00	1
\$ -	-	\$ -	-	\$ -	-
\$ -	-	\$ 511,135.00	1	\$ 511,135.00	1
\$ 75,000.00	1	\$ 3,325,000.00	29	\$ 3,400,000.00	30
\$ 75,000.00	1	\$ 3,975,735.00	31	\$ 4,050,735.00	32

Bond Exemption Program

Chapter 100 State Sales Tax Exemption

Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
Amount Exempted	# Companies	Amount Exempted	# Companies	Amount Exempted	# Companies
\$ -	-	\$ 10,400,000.00	2	\$ 10,400,000.00	2

CHART 1(a)

Amount of Tax Credits Issued

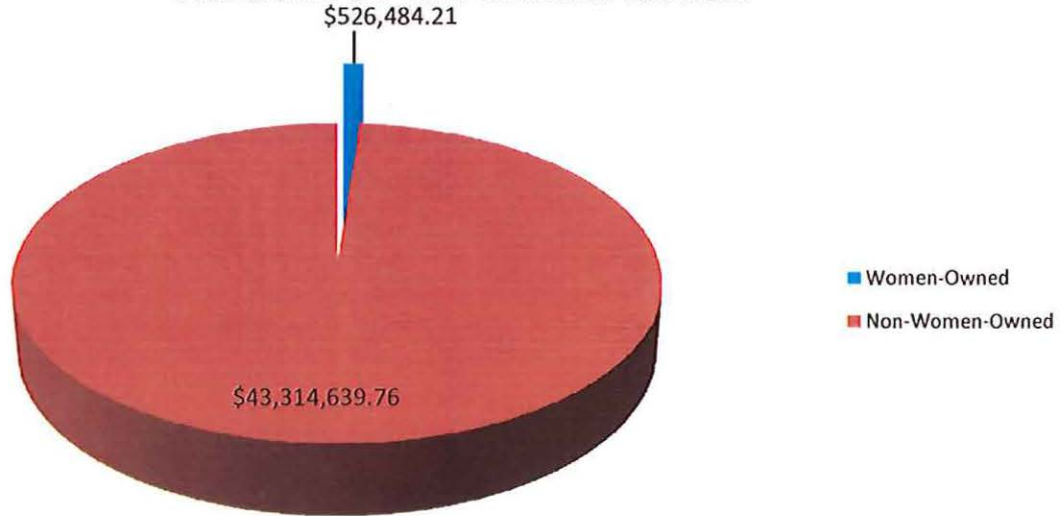


CHART 1(b)

Tax Credit for Women-owned Business by Program

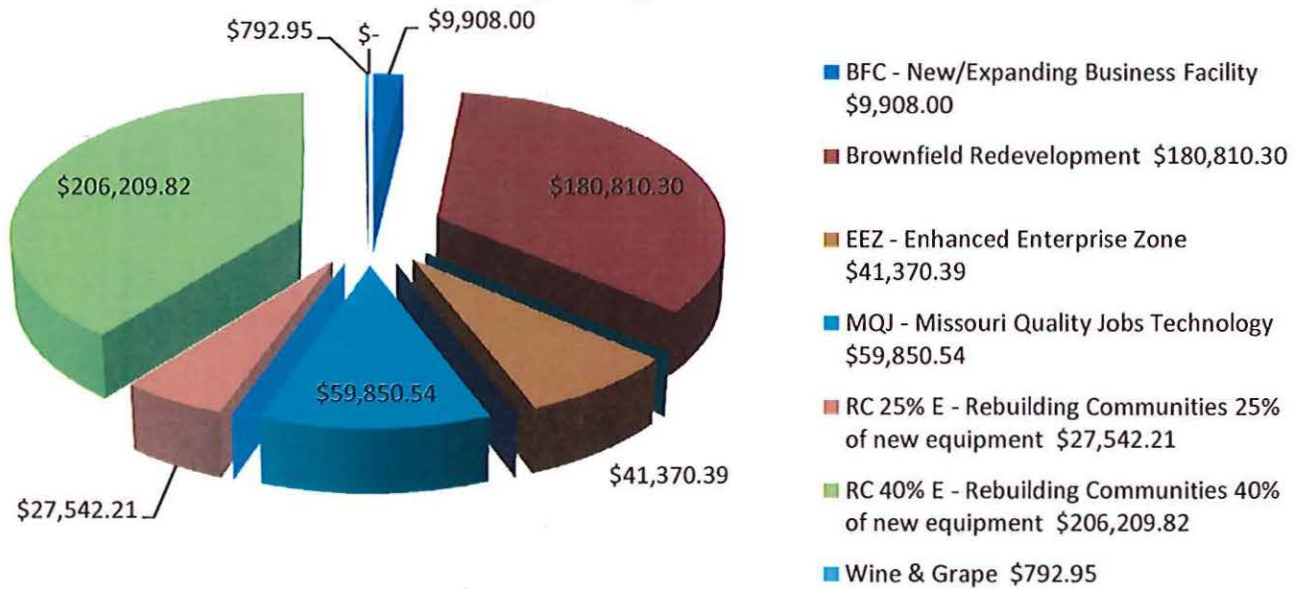


CHART 2

Number of Women-owned Businesses by Program

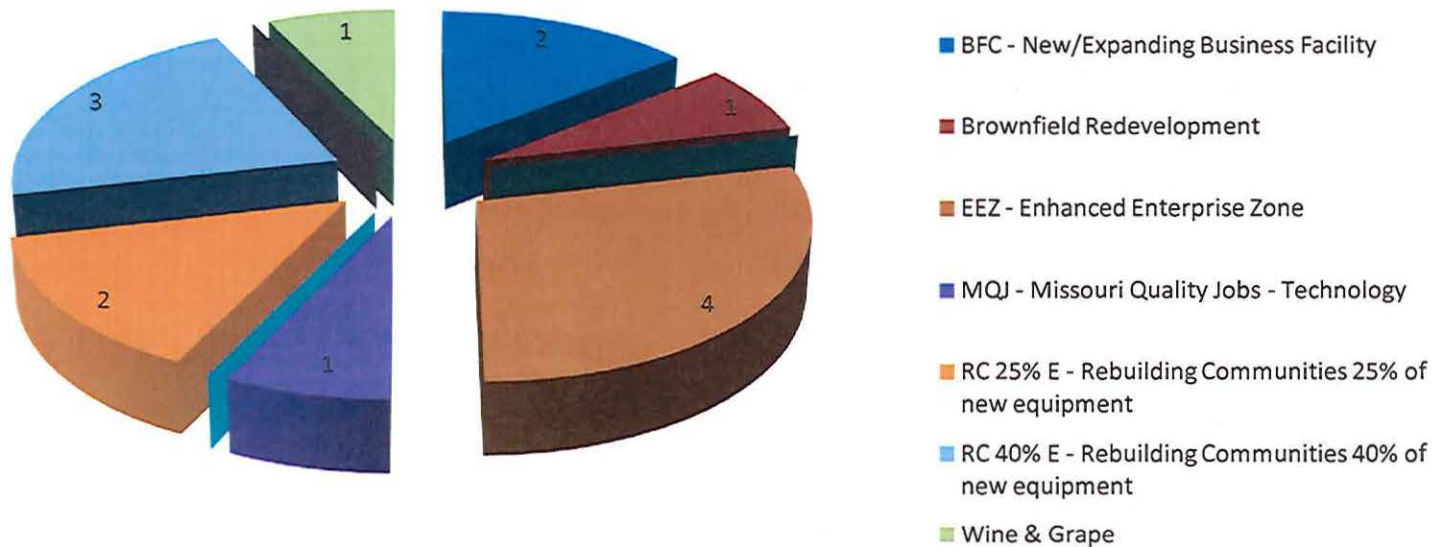


CHART 3(a)

Number of Tax Credits Issued

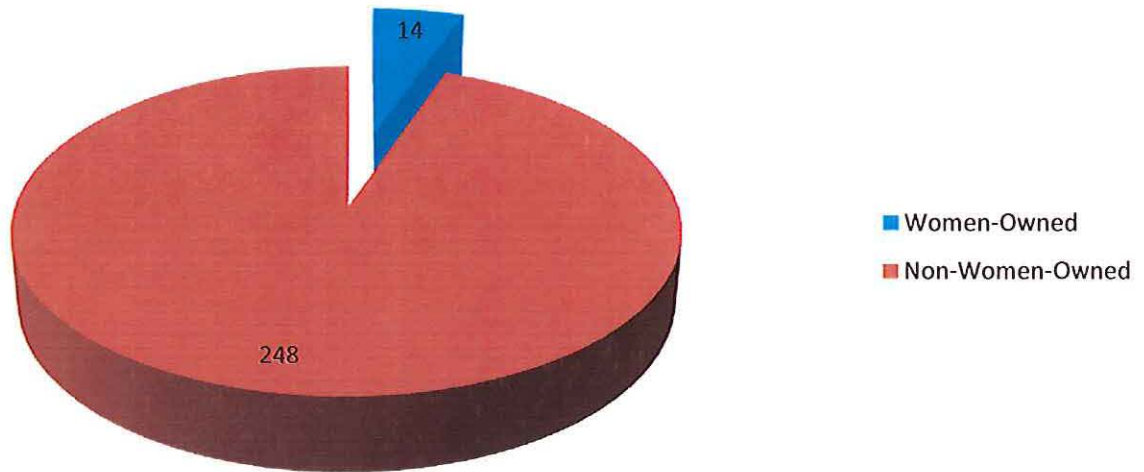


CHART 3(b)

Number of Women-owned Business by Company Type

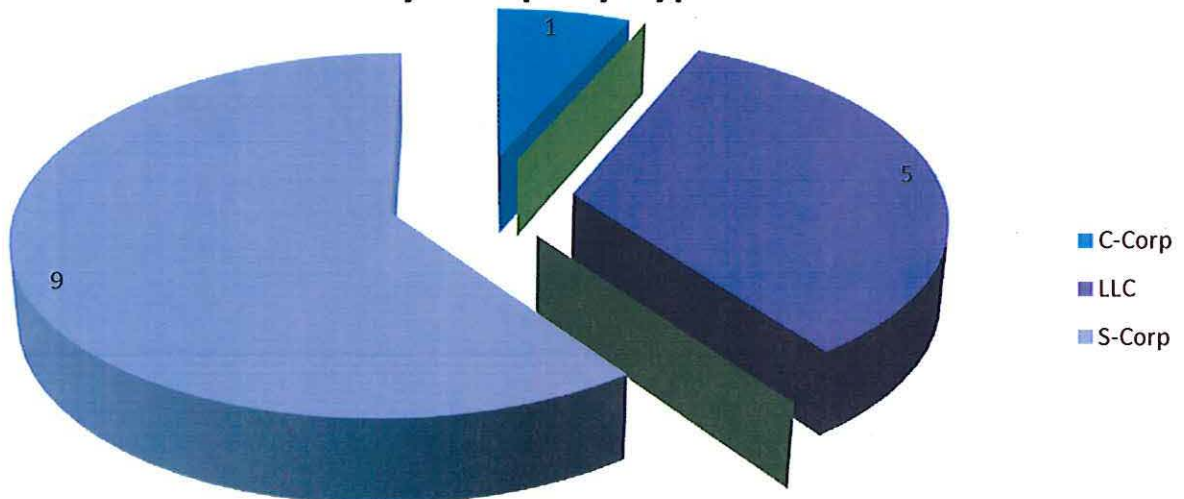


CHART 4(a)

MO Job Development Fund \$ Spent

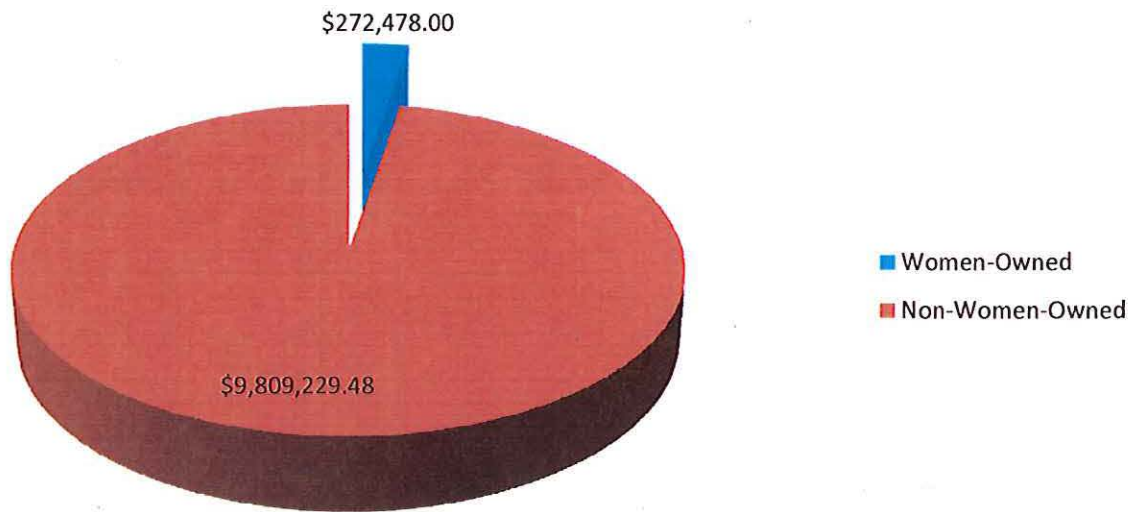


CHART 4(b)

**Number of Businesses Reimbursed under
MO Job Development Fund**

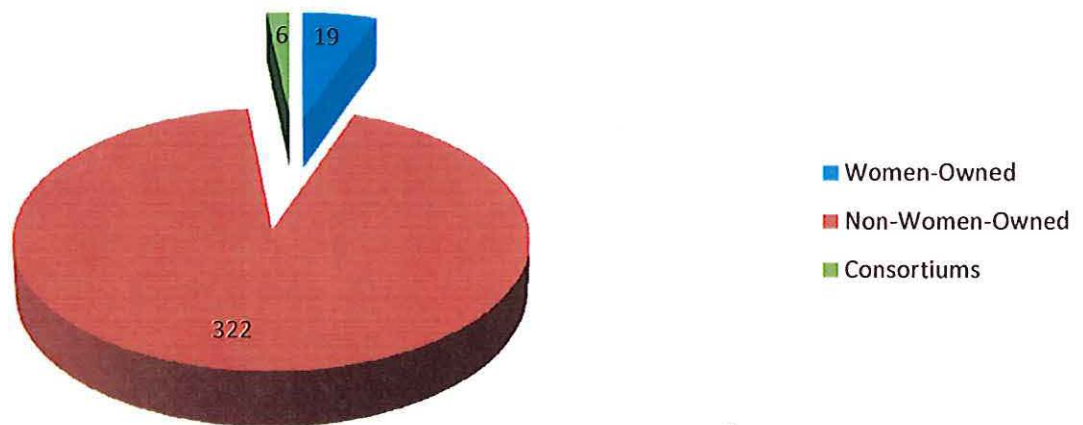


CHART 5(a)

Total Amount of Withholdings Retained

■ Women-Owned ■ Non-Women-Owned

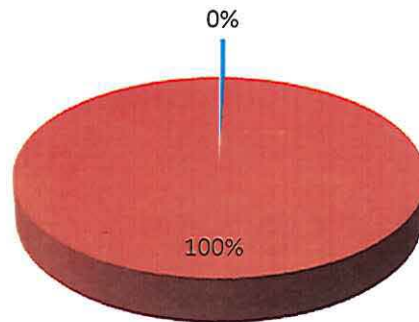


CHART 5(b)

Amount of Withholdings Retained for New v. Retained Jobs

■ For New Jobs ■ For Job Retention

